

Merced County Economic Forecast

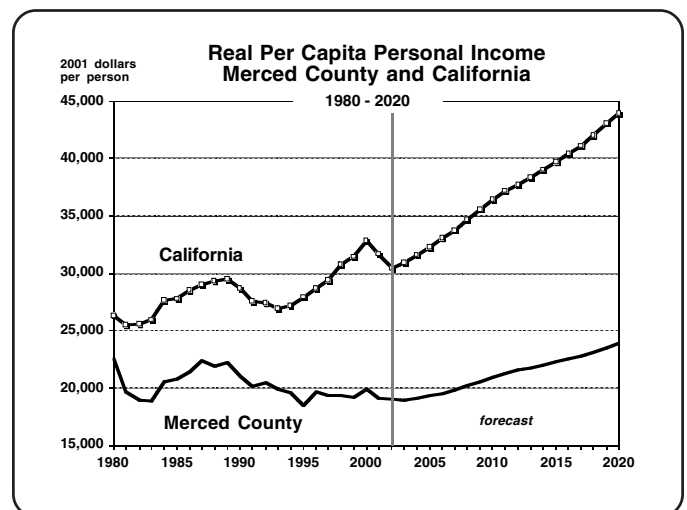
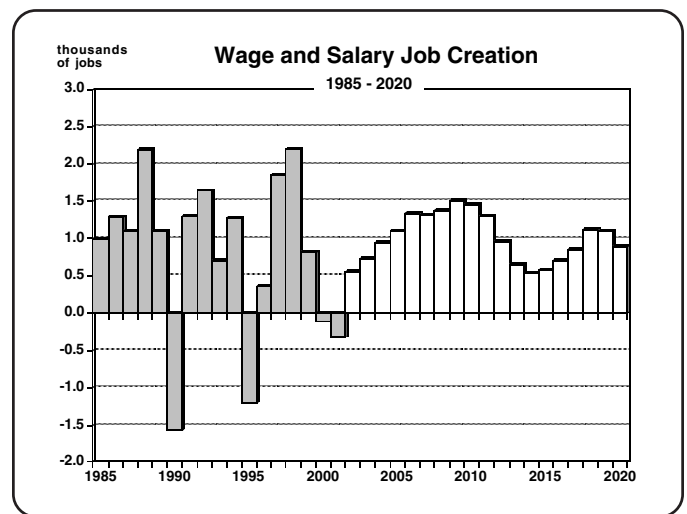
More than half of the land in Merced County is made up of the agriculturally rich alluvial plain produced by the Chowchilla, San Joaquin, and Merced Rivers which flow through it. Agriculture is one of the county's main sources of revenue, and, based on production, Merced is the fifth leading agricultural county in the state.

Milk and milk products from Merced's commercial dairies generate the greatest amount of revenue. Crops grown in commercial quantities include poultry, almonds, tomatoes, and alfalfa.

The county's 2001 annual average unemployment rate was 14.1 percent, compared to a rate of 5.2 percent for the state. Typically, in counties such as Merced where agriculture and tourism are factors in the economy, there is usually a substantial amount of seasonal employment, and as a result, higher unemployment rates.

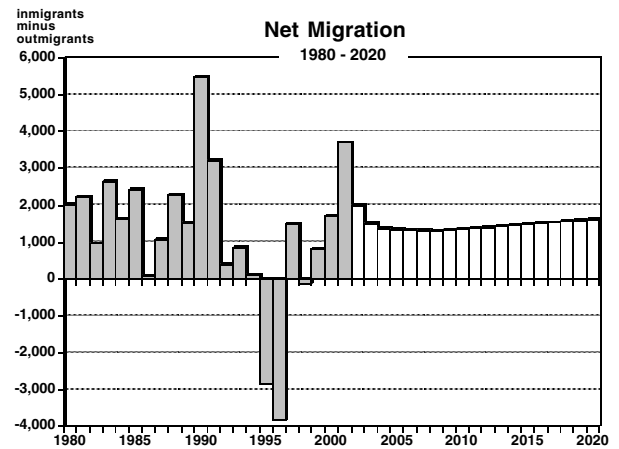
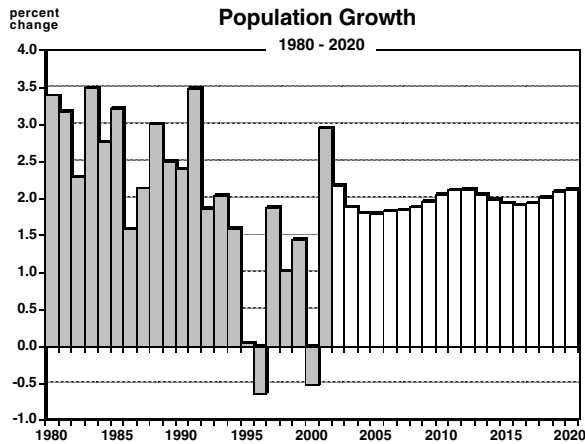
In recent years, Merced County has sought to diversify its agriculturally based economy, balancing it out by expanding tourist trade and the manufacture of light industry, geared to agricultural related products. In 2001, government, agriculture, manufacturing, and retail trade were the dominant industries and contributed similar shares of the county's total wage and salary employment base. Government accounted for 21 percent of all employment, with a majority of the jobs (12,470) in local government, and agriculture contributed 17.2 percent of the total.

The employment projections indicate that retail trade, manufacturing, and services will have the largest growth. Over the forecast period, these industries combined are expected to account for a over 70 percent of the total growth in employment.



Forecast Highlights

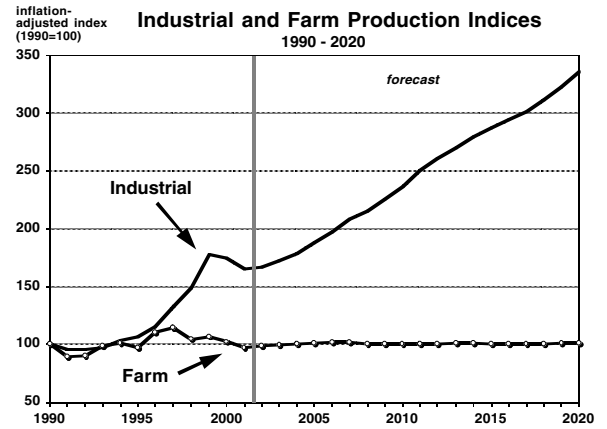
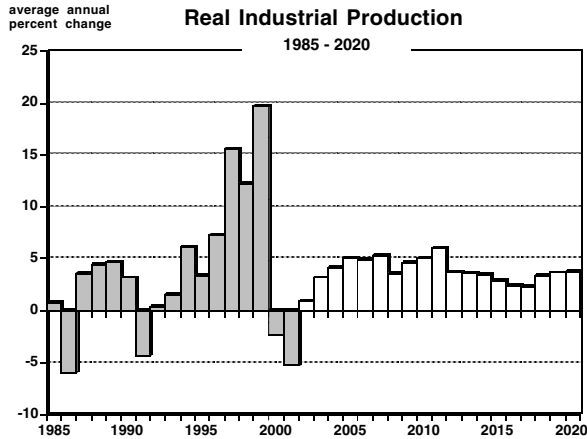
- Non-farm employment will grow 1.7 percent per year between 2002 and 2007. Farm employment is forecast to decline a scan 0.3 percent per year over the same time period.
- Real per-capita income rises an average 0.8 percent per year over the next 5 years.
- Between 2002 and 2007, an annual average of 1,200 new residential units are authorized through the permitting process.
- Population growth accelerates to 1.8 percent per year between 2002 and 2007. The forecast calls for an increase in the natural increase, due to rapidly growing population in the 20 to 29 year old age cohort. Net migration is also forecast to average 1,500 persons per year.
- The median home selling price reached \$130,000 in March of 2002. It is forecast to rise 2.2 percent per year between 2002 and 2007. Between 1995 and 2000, the inflation-adjusted median home selling price showed no increase over the 5 year period.



Merced County Economic Forecast

1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	203,700	-2,843	149.2	61.3	867	\$0.8	\$3.0	\$18,457	\$1,222	\$1.4
1996	202,400	-3,828	149.3	61.5	871	\$0.9	\$3.2	\$19,639	\$1,430	\$1.5
1997	206,200	1,503	141.5	62.3	1,010	\$0.9	\$3.4	\$19,375	\$1,527	\$1.7
1998	208,300	-116	150.4	63.1	1,032	\$1.0	\$3.5	\$19,389	\$1,450	\$1.9
1999	211,300	817	156.0	63.9	1,003	\$1.1	\$3.7	\$19,211	\$1,534	\$2.3
2000	210,200	1,715	161.9	63.5	1,553	\$1.2	\$4.0	\$19,871	\$1,539	\$2.3
2001	216,400	3,708	163.7	64.8	1,131	\$1.3	\$4.1	\$19,108	\$1,542	\$2.1
2002	221,123	1,996	164.6	65.7	1,284	\$1.4	\$4.4	\$19,025	\$1,626	\$2.2
2003	225,289	1,507	165.3	66.5	1,192	\$1.4	\$4.6	\$18,955	\$1,681	\$2.2
2004	229,347	1,393	166.0	67.3	1,173	\$1.5	\$4.8	\$19,135	\$1,734	\$2.3
2005	233,457	1,367	166.6	68.0	1,204	\$1.6	\$5.1	\$19,330	\$1,796	\$2.4
2006	237,745	1,357	167.4	68.6	1,199	\$1.7	\$5.4	\$19,527	\$1,867	\$2.6
2007	242,143	1,347	168.3	69.2	1,206	\$1.9	\$5.7	\$19,834	\$1,911	\$2.7
2008	246,703	1,332	169.2	69.6	1,197	\$2.0	\$6.1	\$20,210	\$1,939	\$2.8
2009	251,555	1,352	170.1	69.9	1,187	\$2.1	\$6.5	\$20,549	\$1,987	\$2.9
2010	256,705	1,381	171.0	70.1	1,181	\$2.3	\$6.9	\$20,934	\$2,041	\$3.1
2011	262,102	1,401	171.7	70.1	1,184	\$2.4	\$7.4	\$21,310	\$2,100	\$3.3
2012	267,627	1,417	172.1	70.0	1,191	\$2.5	\$7.8	\$21,544	\$2,167	\$3.4
2013	273,120	1,447	172.5	69.6	1,195	\$2.6	\$8.3	\$21,745	\$2,238	\$3.5
2014	278,558	1,474	172.7	69.0	1,199	\$2.8	\$8.8	\$21,974	\$2,297	\$3.6
2015	283,957	1,499	172.8	68.1	1,207	\$2.9	\$9.3	\$22,236	\$2,354	\$3.7
2016	289,404	1,528	172.9	66.9	1,204	\$3.0	\$9.9	\$22,541	\$2,415	\$3.8
2017	295,019	1,549	173.2	65.4	1,198	\$3.2	\$10.5	\$22,778	\$2,486	\$3.9
2018	300,950	1,581	173.9	63.4	1,187	\$3.3	\$11.2	\$23,140	\$2,563	\$4.0
2019	307,228	1,607	174.2	60.9	1,187	\$3.5	\$12.0	\$23,528	\$2,638	\$4.2
2020	313,705	1,632	174.8	57.9	1,193	\$3.6	\$12.7	\$23,841	\$2,710	\$4.4



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
58.3	11.0	1.5	10.2	1.9	11.6	2.0	8.0	12.1
58.7	11.0	1.5	10.4	1.9	11.6	2.1	8.2	11.9
60.5	11.1	1.7	11.4	2.2	11.6	2.0	8.9	11.6
62.7	11.1	1.9	12.2	2.8	12.1	2.0	9.1	11.7
63.5	11.5	2.2	11.6	2.8	12.1	2.0	9.5	11.9
63.4	11.6	2.2	10.9	2.4	12.4	1.8	9.9	12.2
63.1	10.8	2.4	10.4	1.7	12.6	1.6	10.5	13.1
63.6	10.8	2.5	10.2	1.5	12.7	1.5	11.0	13.4
64.4	10.7	2.6	10.4	1.4	12.8	1.5	11.5	13.4
65.3	10.7	2.8	10.5	1.3	12.9	1.4	12.0	13.6
66.4	10.7	2.9	10.7	1.3	13.1	1.4	12.6	13.8
67.7	10.6	3.1	10.8	1.3	13.2	1.4	13.1	14.3
69.1	10.6	3.2	10.8	1.3	13.4	1.4	13.6	14.7
70.4	10.6	3.3	10.9	1.3	13.5	1.4	14.1	15.2
71.9	10.6	3.5	11.0	1.4	13.7	1.4	14.6	15.8
73.4	10.5	3.6	11.0	1.4	13.9	1.4	15.0	16.5
74.7	10.5	3.7	11.0	1.5	14.1	1.5	15.4	17.1
75.6	10.5	3.8	11.0	1.5	14.2	1.5	15.6	17.5
76.3	10.5	3.9	11.1	1.6	14.4	1.5	15.7	17.6
76.8	10.5	4.0	11.1	1.6	14.5	1.5	15.9	17.7
77.4	10.5	4.1	11.1	1.6	14.6	1.5	16.1	17.8
78.1	10.4	4.2	11.1	1.7	14.8	1.5	16.4	18.1
79.0	10.4	4.3	11.1	1.7	14.9	1.5	16.5	18.5
80.1	10.4	4.4	11.1	1.8	15.0	1.5	16.7	19.2
81.2	10.4	4.5	11.1	1.8	15.1	1.5	16.9	19.9
82.1	10.4	4.7	11.1	1.9	15.2	1.5	17.0	20.4

